

GREENBERG
ATTORNEYS AT LAW
TRAURIG

Mitchell F. Brecher
(202) 331-3152
BrecherM@gtlaw.com

June 13, 2003

VIA ELECTRONIC FILING

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation in CC Docket Nos. 96-45, 98-171,
90-571, 92-237, 99-200, 95-116, 98-170, and NSD File No. L-00-72

Dear Ms. Dortch:

On June 12, 2003, F.J. Pollak (CEO of TracFone Wireless, Inc. ("TracFone")), Richard Salzman (General Counsel of TracFone), Nancy Boocker and I, on behalf of TracFone, had separate meetings with Daniel Gonzalez in the Office of Commissioner Martin, Christopher Libertelli in the Office of Chairman Powell, Jessica Rosenworcel in the Office of Commissioner Copps, and Lisa Zaina in the Office of Commissioner Adelstein. In addition, we met with Vickie Byrd and Karen Franklin in the Telecommunications Access Policy Division of the Wireline Competition Bureau.

During these meetings, we reiterated the positions that TracFone has taken in its filed comments and prior ex partes in the Universal Service Contribution Methodology proceeding. In particular, we discussed TracFone's support for the continuation of a revenue-based contribution methodology as the only current proposal that meets the requirements of Section 254 for an equitable and nondiscriminatory contribution methodology. We also discussed some of the proposals TracFone has suggested for improving the current revenue-based methodology, including elimination of the wireless

Ms. Marlene Dortch
June 13, 2003
Page 2

safe harbor and exercising the Commission's statutory authority under Section 254(d) of the Communications Act to expand the base of contributors to include all who derive revenue from the provision of interstate telecommunications, such as providers of Voice Over Internet Protocol telephony services. In addition, TracFone expressed support for legislation which would authorize the Commission to require universal service contributions on intrastate telecommunications service revenues. A copy of the talking points that were used at our meeting is attached.

Pursuant to Section 1.1206(b) of the Commission's Rules, this notice is being filed electronically in the above-captioned dockets. If you have any questions regarding this matter, please feel free to contact undersigned counsel for TracFone Wireless.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchell F. Brecher", with a stylized flourish at the end.

Mitchell F. Brecher

Attachment

cc: Mr. Daniel Gonzalez
Mr. Christopher Libertelli
Ms. Jessica Rosenworcel
Ms. Lisa Zaina
Ms. Vickie Byrd
Ms. Karen Franklin

TRACFONE WIRELESS, INC.
Meetings with FCC Staff Regarding Universal Service
Contribution Methodology Proceeding
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170
June 2003

- **Record Supports Continuation of Revenue-Based Contribution Methodology.**
 - Only current proposal that meets the requirements of Section 254 that “every telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service.”
 - Significant majority of commenters, representing a broad variety of interests, support revenue-based methodology. Consumer interests unanimously support continuation of revenue-based methodology. State members of Joint Board have recently submitted letter supporting revenue-based methodology.
 - Staff Study supports the continuing viability of a revenue-based methodology and refutes the unsupported claims of an interstate revenue “death spiral.”
- **Alternative Proposals Are Unlawful, Unsupported in the Record, and Bad Public Policy.**
 - Connection-based methodologies violate Section 254 and Section 2(b) of the Communications Act.
 - ⇒ Not every provider of interstate service would contribute in an equitable and nondiscriminatory manner.
 - ⇒ Would unlawfully assess intrastate service.
 - Each alternative connection-based and telephone number-based proposal primarily benefits those parties advocating the proposal.
 - No consensus is building around a particular proposal. Numerous variations within each connection-based proposal. Advocates of each proposal generally oppose other connection-based proposals.
 - Staff Study shows that residential customers would not benefit from any of the connection-based or telephone number-based proposals and may be significantly

harmful by some proposals.

- Low volume users, many of whom are also low income consumers, would pay significantly higher contributions under connection-based and telephone number-based proposals than they would under a revenue-based methodology.
- Recent NANC Report highlights technical difficulties associated with implementation of telephone number-based methodology.
- Would not be competitively neutral in violation of Commission policy.

□ **TracFone Supports Additional Modifications to Current Methodology**

- Eliminate wireless safe harbor to ensure that wireless carriers contribute on all of their interstate revenues.
- Collect contributions from all providers of telecommunications, including VoIP and all facilities-based broadband providers
- Congressional revisions to Communications Act to permit the Commission to permit contributions on intrastate revenues.